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INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 03 BEIRUT 001308

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NSC FOR ABRAMS/DORAN/WERNER/SINGH

E.O. 12958: DECL: 04/27/2016  
TAGS: [IS](#) [KDEM](#) [LE](#) [PGOV](#) [PREL](#) [SY](#)  
SUBJECT: MGLE01: JUMBLATT CONCERNED WITH GROWING IRANIAN  
INFLUENCE

Classified By: Ambassador Jeffrey Feltman. Reason: Section 1.4 (b).

#### SUMMARY

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¶1. (C) Walid Jumblatt expressed concern that Iran appears to be gaining influence in south and north Lebanon. In both regions, the economically disadvantaged are vulnerable to well-funded and growing Iranian efforts. When he visited Saudi King Abdullah two weeks ago, Jumblatt discussed this issue and said he received assurances that the Saudi leadership is aware of the threat and is mobilizing resources to oppose it. Jumblatt remarked that Iran's nuclear claims have "shaken the Saudis from their slumber." Concerning Michel Aoun, whose recent criticism of the Siniora government has noticeably worsened, Jumblatt reasoned that as the presidency recedes from his grasp, the Free Patriotic Movement leader is becoming more anxious and unpredictable. Jumblatt suggested that an effort be made to break Aoun away from Hizballah/Syrian influence, but it would be difficult to do so with his current close circle of pro-Syrian advisors. Finally, in his view, the National Dialogue process has run its course and should be de-emphasized. End summary.

¶2. (U) Druse leader Walid Jumblatt received the Ambassador and poloff at his residence in Mukhtara on April 26. A week earlier, Jumblatt had returned from a trip to Riyadh where he had discussed Lebanon's political situation in an extended meeting with King Abdullah.

¶3. (C) Jumblatt expressed satisfaction that PM Siniora's visit to Washington had been successful, and said the statements of the prime minister with President Bush, and later at the United Nations, would serve the country well. In both content and imagery, he said the meetings had been well received and, thus far, there had been little overt criticism in Lebanon's press. And despite some indications to the contrary, Jumblatt maintained that Future Movement leader Saad Hariri was also satisfied with the results of the visit.

#### JUMBLATT'S TALKS WITH KING ABDULLAH

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¶4. (C) The veteran Druse leader spoke of his recent meeting with Saudi Arabia's King Abdullah, where the primary topic of conversation appears to have been the rise of Iranian influence. Remarking that Iran's nuclear ambitions were clearly worrying the Saudi regime, Jumblatt said the growing involvement of Iran in Lebanon's affairs had not gone unnoticed by the Saudi leadership. And it is no longer simply that Iran uses Hizballah as a tool, Jumblatt noted. He said the Saudi discomfort stems in part from what is

clearly increased Iranian funding to the economically depressed Sunni community in Lebanon, particularly in the impoverished north and far south. According to Jumblatt, the Saudi ruler also alluded to possible assistance to Syrian opposition forces when, after a discussion of Syrian interference in Lebanon and the unacceptable behavior of the Syrian regime, King Abdullah remarked, "...leave this matter to us."

15. (C) He inferred that some of the Saudi funding may come in the form of the payment of arrears owed to Saad Hariri's financial empire. These payments, which reportedly exceed USD \$1 billion, could be used to fund some of the unfulfilled commitments Hariri made to his Sunni constituencies during last year's election campaign, particularly in economically distressed north Lebanon, where Sunni fundamentalism has taken strong root and attracted the interest of the Iranian regime.

#### LAND PURCHASES IN SOUTH LEBANON

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16. (C) Jumblatt expressed concern that not only were Iranian funds making their way to Sunni fundamentalist in north Lebanon and Hizballah in the south, but there were reliable reports that Iranian interests were purchasing significant amounts of land in the Shebaa Farms area from Sunni and Druse landowners. Jumblatt said he had discussed this with King Abdullah and had recommended that Saudi interests balance the situation, since Lebanese could not compete with the well-funded newcomers.

17. (C) The veteran leader said that Hizballah was now responding directly to Iranian guidance and were adroitly

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manipulating Michel Aoun and his powerful Christian bloc. To illustrate his point, he spoke of the retraction issued this week by Hassan Nasrallah of an agreement made at the National Dialogue regarding demarcation of the Lebanese-Syrian border.

Jumblatt stated it was perfectly clear that the Dialogue members had reached consensus on this important issue, but now it was obvious that Hizballah was responding to Iranian and Syrian direction. In his opinion, the Syrian regime had calculated that their best chance for survival was to align themselves as closely as possible to what they perceived to be an ascendant Iran and Hizballah was logically following suit.

#### MICHEL AOUN

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18. (C) With regard to Aoun, the Druse leader expressed frustration with the willingness of the former general to play into Hizballah's hands. He believed it was a mixture of ambition and naivete, as well as a pro-Syrian coterie of advisors, that was propelling Aoun deeper into the March 8 coalition. Jumblatt said he had discussed with other March 14 members the value of trying to bring Aoun back into the pro-reform fold, but nothing much had come of it. He suggested that the Ambassador could discuss with Aoun the peril of his relationship with Hizballah, but strongly advised that such a discussion be conducted outside the presence of his advisors, particularly Gebran Bassil and Alain Aoun.

19. (C) When asked about the possibility the Aounists, in conjunction with Hizballah, would resort to street demonstrations on or about May 1st to protest the policies of the Siniora government, Jumblatt said he had just spoken with several union leaders who indicated to him that there was unrest in the labor movement, particularly over the proposal to raise new taxes, but that nothing would occur until mid-May.

110. (C) Jumblatt said the Siniora government and the

Hariri-led parliamentary majority had to be careful in the coming weeks. He said he had spoken with Saad Hariri about the perception that not only was the Sunni majority filling all the top posts in the government, but were also being a bit too effective in also corralling the second and third tier positions of the bureaucracy. Jumblatt said many of these appointments were competent and qualified people, but the perception of Sunni political greed was becoming a serious issue that had to be addressed.

¶11. (C) Jumblatt observed that despite receiving some advice from outsiders, Saad Hariri continues to depend largely on a small circle of Future Movement advisors -- all of whom are on his payroll, and therefore, not the most reliable providers of legitimate criticism. In Jumblatt's opinion, due to his inexperience and the unwise screening by his advisors, Saad Hariri fails to understand the depth of two popular complaints: first, that the Sunni leadership is trying to monopolize power, and second, that poorer elements of the Sunni community feel neglected, particularly in north Lebanon where radical fundamentalism is growing. Jumblatt feels strongly that Hariri has to develop a better feel for politics as practiced in Lebanon.

#### NEXT STEPS FOR MARCH 14 COALITION

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¶12. (C) Jumblatt argued that the government's economic reform package, as it now stands, will generate considerable popular opposition, particularly if the plan's proposed tax increases and elimination of energy (gas/electricity) subsidies remain intact. He maintained the Siniora government has to fully explain the reasons for measures that will require sacrifice by the electorate. Concerning privatization, Jumblatt remarked it was clear numerous vested interests will be adversely affected, which of course will produce further opposition. But he also acknowledged the country's precarious financial position required a radical departure from business as usual. He agreed that unless Lebanon improves transparency and reduces corruption, badly needed international investment capital will simply pass it by.

¶13. (C) In the political realm, Jumblatt indicated the pro-reform movement will take advantage of opportunities to criticize the March 8 ministries when they present themselves. Jumblatt commented that Minister of Energy

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Mohammad Fneish and Minister of Labor Trad Hamadeh were especially vulnerable due to mismanagement and corruption. As an example, he mentioned a recent gas deal with Algeria negotiated by Fneish which contained an inexplicable USD \$60 million "black hole" discrepancy. After all the criticism absorbed by the March 14 ministers, he said it would be good "to turn up the heat on the Shia ministers."

¶14. (C) Finally, he stated that despite admirable achievements in the areas of Palestinian refugees, normalized relations with Syria, the international tribunal, and the issue of Shebaa Farms, the National Dialogue process had run its course. He anticipated the April 28 meeting to be short, with a possible agreement to continue meeting on a far less frequent basis.

FELTMAN